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**STATE OF IOWA  
LEGISLATIVE FISCAL BUREAU**

State Capitol  
Des Moines, Iowa  
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**MEMORANDUM**

TO: Economic Development Appropriations Subcommittee

FROM: Dwayne Ferguson

DATE: March 25, 2002

RE: IWD State Match for Federal Funding

Earlier this month, Iowa Workforce Development (IWD) provided the following breakdown for federal funding match requirements. The Department has four programs with federal matching funds requirements. All are within the Labor Division. The following table identifies the programs and the associated federal and State funding.

Federal Funds Requiring State Match		
Program	Federal	State
OSHA Consultation  (90/10)	\$ 525,000	\$ 58,333
OSHA Compliance (50/50)	1,770,000	1,696,083
BLS OSHA Survery (50/50)	72,811	72,810
BLS Census of Fatalities Survey (50/50)	25,290	25,289
Total	<u>\$ 2,393,101</u>	<u>\$ 1,852,515</u>

The handout provided by IWD on February 27, lists the programs and FY 2002 budgets (prior to SF 2304 adjustments). The following table shows those programs within the Labor Division that do not receive federal funding.

<b>Labor Division Programs Without Federal Funding</b>			
<b>Program</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>FTE Positions</b>
Asbestos Contract Cert.	\$ 80,905	\$ 44,720	2.00
Contractor Registration	127,635		2.00
Wage Enforcement	288,218		5.00
Employment Protection	23,478		0.20
Boiler Safety Inspec.	342,716		5.00
Elevator Safety Inspec.	506,341		7.70
Amatuer Boxing		105,040	0.30
<b>Total</b>	<b>\$ 1,369,293</b>	<b>\$ 149,760</b>	<b>22.20</b>

Note: The above budgeted amounts are prior to the budget adjustments (SF 2304).

If the programs with federal funds were funded at the FY 2002 level of \$1,927,343 which exceeds the match requirement by \$74,828, then the General Fund reductions would be made to the State-only funded programs. The following is a breakdown of the original and revised proposal funding for the Labor Division.

	<b>Original Proposal</b>	<b>Revised Proposal</b>
FY 2003 Proposed Appropriation	\$ 2,782,947	\$ 3,043,007
Federal Fund Match Requirement	1,852,515	1,852,515
Balance for State-Only Funded Programs	\$ 930,432	\$ 1,190,492
FY 2002 General Funds (After estimated SF 2304 adjustments)	1,355,600	\$ 1,355,600
Reduction to State-Only Funded Programs	425,168	165,108
Percentage Reduction	31.36%	12.18%

Under either proposal, IWD would be able to meet the federal match requirements by absorbing the reduction in State-only funded programs. If the Department chooses to make reductions in federally funded programs within the Labor Division, then federal funding could be reduced.